



Organisational Culture

THE ASK:

Good organisational culture can drive strong performance results, innovation, and very effective high-quality consumer-centred care. Poor organisational culture can have a direct and serious impact on consumers and can cause serious reputational damage for a provider. To drive change across the sector, governing bodies will need to take an active role in fostering culture that supports consumers being treated with dignity and respect.

Covered in this Topic Guide

- Leading the transformation in aged care
- Styles of leadership for a reform context
- Fostering organisational culture

Where are we now?



Strategic thinking, people focused, adaptive to change, understanding of governance. These behaviours – everything goes to culture. You can have the best strategy in the world, but if you can't bring the people along the journey, it won't work.

GOVERNING BODY MEMBER

Key concepts

The following high-level definitions are provided to assist in interpreting key concepts discussed in this Topic Guide.

- **Organisational culture** refers to the shared, attitudes, approach beliefs and values (personal and cultural) of an organisation.
- **Consumer-centred care** describes the actions that governing bodies and executives take to focus on consumer experience and strongly encourage all grades of employees to achieve consumer goals and objectives.
- **Tone from the top** refers to the character and behaviour displayed by governing body members and executives that influences the culture throughout the provider.
- **The Code of Conduct for Aged Care** aims to improve the safety, health, wellbeing, and quality of life for people receiving aged care. It also aims to build confidence and trust in aged care and bring a strong focus to a person's right to receive safe and quality services.
- **Collective leadership** describes the shared responsibilities of leaders within an organisation to work together to drive change.
- **Compassionate leadership** focuses on relationships, through listening, understanding, empathising with, and supporting the work of those you are responsible for.

Organisational culture in aged care

Governing bodies and the executive team play a critical role in setting the organisational culture. To achieve an inclusive and consumer centred culture, it is important for the governing body to ensure there is clarity in decision-making and there are effective processes in place to resolve and report on instances of poor care. This is to ensure that approved providers are meeting the Aged Care Act 1997 obligations to; provide high quality and safe care, ensure user rights of people receiving care are well respected and ensure providers are accountable for the care offered to consumers.

Story from the sector



Manage your culture or your culture will manage you

KEY TAKEAWAYS

- The tone set by the governing body can impact the entire organisation.
- To effectively respond to reforms, a governing body needs more than a reform agenda, it needs to encourage a culture of willingness to change and innovate.
- Teamwork, communication, and leadership are key elements of organisational culture which influences staff and ultimately consumer outcomes.

The Acme Community Services governing body is aware of upcoming reforms in the aged care sector regarding the requirement that providers demonstrate alternatives considered before restrictive practices are used. The governing body generally takes the approach of 'if it isn't broke, don't fix it' and is concerned about the work that preparing for these reforms will take.

The managing director, Tessa is eager to take a proactive approach to position the provider to respond to the reforms. Tessa finds it difficult to get the support from members of the governing body and therefore is not able to dedicate the time and resources required to review and redraft the restrictive practices policy. As a result, the facility and care managers do not see it as a priority to be mindful of and ready for reforms. They express that the governing body don't know what it's like to have to provide care to consumers while managing reforms.

Soon after the reforms are introduced, the governing body implements a new restrictive practices policy. However, there was no communication strategy endorsing the changes and encouraging staff to embrace the new policy. Tessa and the executive team find it very difficult to enforce the changes which causes poor outcomes for consumers and compliance issues for the provider, including negative attention from the regulator and the broader community.

Tips for improving culture and conduct

Older Australians at the Centre of Care

- The governing body should have a mindset that puts the consumer at the heart of the provider's purpose and embed this mindset in decision making.

Obligations and Accountabilities

- Foster a 'compliance culture' across the provider, in which the executive and staff act with integrity in all instances.
- Be open and transparent with each other, staff, regulators, and the community about your provider's culture.

Knowledge, Skills, and Experience

- Utilise appropriate mechanisms to measure and track culture at governing body level, and across the provider.

Leadership and Culture

- Understand the importance in setting tone from the top.
- Foster a 'speak up' culture of open communication without blame or penalty, so that staff and stakeholders feel comfortable raising concerns about behaviours they see.

Reflecting on your practice



Think...

Below are the top things you need to be **thinking** about:

- Is our governing body and provider open to change, including the reform agenda that is planned for the sector?
- Am I myself open to possibly changing my behaviour and/or approaches in order to set the best example for the rest of the governing body and provider?
- Do we have the right mix of skills and experience around our governing body and executive team to champion changes and foster innovation?
- Do we have any history or systemic barriers to change that need to be resolved so that we are able to mobilise quickly if necessary?



Ask and say...

Below are the top **questions you need to be asking**:

- Are the purpose and values of our provider clearly defined, embedded, and demonstrated throughout the organisation?
- Is our code of conduct comprehensive, well-understood and supported amongst staff, and reviewed regularly to ensure currency?
- Are our other policies and procedures supporting our desired culture, regularly reviewed to ensure continuous improvement?
- What is the overall perception of our provider's culture amongst the workforce, our consumers, the regulators, and the broader community?



Do...

These are the top **actions and behaviours** of leaders:

- Be conscious to set and monitor your 'tone at the tone' to ensure the governing body is setting the best example of acceptable behaviours.
- Create an environment that fosters openness to reform and change, and proactive strategic and operational innovation.
- Communicate and actively encourage communication to foster a 'speak up' culture within the provider.
- Ensure that the governing body and the executive team have appropriate and sufficient data points (both qualitative and quantitative) to measure and track provider culture (i.e. staff surveys, high-level reporting of internal complaints)

Why is organisational culture important?

Organisational culture focuses more on how people believe they are expected to behave. This includes the norms and expectations of behaviour guiding people in terms of how they should deal with situations as they arise in their day-to-day work. Aged Care Quality Standards 1 and 8 are integral to guiding a provider's culture:

- **Standard 1** – Focuses on the consumer and requires each provider to have a culture of dignity, respect, and inclusion for consumers, supporting consumers to exercise choice and independence (even where risk is present) with consideration of their cultural identity.
- **Standard 8** – Covers organisational governance, requires a provider's governing body to be accountable for the delivery of safe and quality care and services.

Culture and clinical care

Culture plays a key role in the delivery of safe and high-quality care. The provision of aged care clinical services requires people working together, ideally in a culture of accountability, trust and communication to deliver the best outcomes to consumers. There can be significant consequences, not only for consumers but for the staff delivering those services, if the right systems, processes, and culture are not there to support the delivery of care.

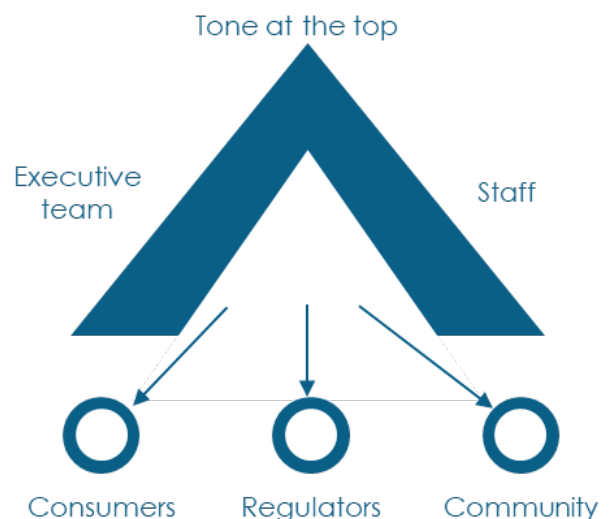
The impact of culture on performance

Culture is a key driver of a provider's performance and ability to meet its regulatory obligations and strategic objectives. A high performing culture is underpinned by the promotion of behaviours that align to the values of the provider, which includes open communication about mistakes or incidents so that the provider can learn and continue to improve. A culture that promotes continuous learning, safety and wellbeing, teamwork, ethical decision making, transparency and inclusion can be some of the drivers to provide safe and quality care and services.

The role of the governing body

The governing body sets the strategic priorities for the organisation and bears ultimate responsibility for their organisation's culture. It is expected to promote a culture of dignity and respect that delivers safe and quality care in partnership with the consumer and to embed this approach within the organisation's governance systems.

The 'tone at the top' refers to the character and behaviour displayed by leaders of a provider that forms a model of appropriate conduct for every level of the organisation. Every interaction between the governing body and the executive team, between the governing body and external stakeholders, and even amongst the governing body itself is an opportunity for members to model and embed a positive culture or a negative culture.



Fostering organisational culture

Purpose and values

Fundamental to the establishment of any organisation is consideration of its purpose and its values, and these each represent the first opportunity that an organisation has to drive its desired culture. Governing bodies must not only understand a provider's purpose and values, but they should live-and-breathe them. This will translate to a most sincere engagement with the need to set 'tone from the top'.

Once purpose and values have been determined by a provider, the governing body and executive are then responsible for embedding these within everything that the provider does (i.e., through its strategic plan, policy framework, stakeholder engagement approach, and internal and external reporting frameworks).

Code of conduct

As an approved provider, you have responsibilities under the Aged Care Act 1997 to comply with the Code and to take reasonable steps to support, equip and prepare your workers and governing persons to carry out their roles. This includes, for example, providing training, making sure policies and procedures are easily accessible, and ensuring your aged care workers and governing persons comply with the Code.

Your responsibilities under the new Code are consistent with your existing obligations under the Aged Care Act 1997, including the Aged Care Quality Standards.

The Code sets out standards of expected behaviours and applies equally to:


- approved aged care providers
- their governing persons (e.g., board members and Chief Executive Officers)
- aged care workers who are:
 - employed or otherwise engaged (including on a voluntary basis) by the provider
 - employed or otherwise engaged (including on a voluntary basis) by a contractor or subcontractor of the provider to provide care or other services to consumers.

The Code applies to approved providers of residential, home care and flexible care services. Flexible care includes the Transition Care Program, Multi-Purpose Services Program and Short-Term Restorative Care Program.

The Code does not apply to the Commonwealth Home Support Programme (CHSP) and the National Aboriginal and Torres Strait Islander Flexible Aged Care Program (NATSIFACP) however CHSP and NATSIFACP providers will be required to provide care that is safe and respectful and to behave in a way that aligns with the Code.

Other ways to foster positive organisational culture

A range of other practices, tools and structures can also be used by the governing body and the executives to ensure that consideration of culture is embedded in all aspects of the provider’s activities so that everyone feels accountable for fostering a positive culture. Drawing on a number of sources, suggestions include:

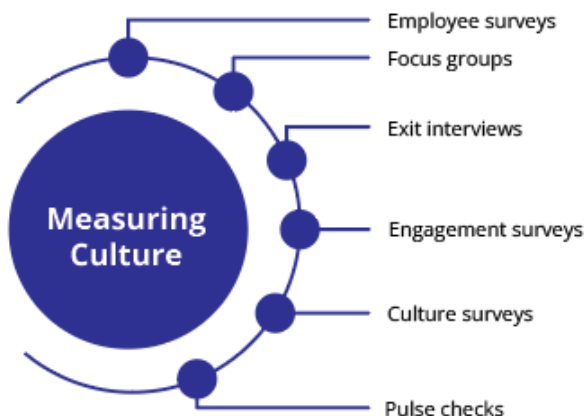


Encourage and facilitate open conversations at the governing body level on the values of the organisation.	Governing bodies and executives should engage in a selection of day-to-day provider activities to see culture in action - (i.e. attend events, speak to staff, consumers and stakeholders).
Make it safe to challenge undesirable practice and behaviour, both at a governing body level and across the organisation.	Undertake team building exercises, both at the governing body level and across the provider.
Review recruitment and performance management practices to ensure that poor behaviour is discouraged.	Change how success is rewarded / celebrated and adopt incentive policies that encourage behaviours that are in live with the provider’s values and expectations.

Monitoring organisational culture

Fostering organisational culture is certainly not an instance of ‘set and forget’. The governing body and executive team should draw from a number of qualitative and quantitative information sources in order to understand current state culture, and related trends. Amongst these information sources must be feedback from consumers and their representatives where possible.

Internal audit and other external service providers also have a critical role to play in understanding and reporting on factors which can influence organisational culture. Internal audit reviews may include cultural aspects being undertaken using a mixture of auditing techniques such as interviews, observations, surveys, data, and documents analysis.



Acting on instances of poor culture or misconduct

In instances where organisational culture has been declining, or specific instances of misconduct has occurred (i.e. a breach of the Code of Conduct), it is important for the governing body and /or the executive team take action (whether this is a relatively small acknowledgement of the existence of the issue through a staff communication, performance management, or a larger change implemented to ensure the provider remains compliant with the responsibilities set out in the Code of Conduct).

Commission's role in relation to the Code of Conduct

The Commission is responsible for overseeing compliance with the Code. Depending on the circumstances, the Commission will take compliance and enforcement action to direct changes to the way a provider and/or an individual conducts themselves. The legislation includes protections to ensure providers or individuals are given the chance to respond to concerns raised. Appropriate procedural fairness applies.

The Commission has access to a range of actions to respond to different situations. In severe cases, actions may include banning a current or former worker or governing person from working in the aged care sector or, in the case of approved providers, applying a sanction or revoking their approved provider status.

An Aged Care Banning Orders Register (the Register) will be maintained with information relating to individuals against whom a banning order has been made.

Transformation in aged care

A change in perspective

If providers are to embark on a pathway of reform, governing bodies need a new lens through which to view the aged care sector. It has been noted that the aged care system in Australia was not built around the people it is intended to help and support, but around funding mechanisms, rules, processes, and procedures. The current system ignores the fact that organisations are essentially social systems, comprising networks of relationships, cultures, human interactions, and emotion.

A simple yet powerful frame to apply is to re-imagine aged care as human-centred with an emotional operating system that must be nurtured, cultivated, and shaped to deliver the outcomes for whom it exists – our older Australians.

Humans and human systems do not 'transform', they adapt and evolve over time. Evolving and adapting the aged care system through a human centred lens will require a purpose-driven, multi-faceted set of activities that bring humans to the centre, improving the outcomes and shaping new practices – person by person, service by service. Accelerating the pace of change will require united and collective efforts at all levels of the system fuelled by a will to deliver on a new promise.

Leading the transformation

To lead the transformation required by planned reforms, governing bodies and executives will need to play their part in leading the change, making personal and organisational shifts to steward this important transformation of the sector.

- **Personal shifts** include developing new skills, mindsets, and capacity to facilitate improved ways of thinking and working.
- **Organisational shifts** include making the necessary structural, cultural, capability and reputational changes.

For governing bodies, some of the cultural shifts required by the reform will include:

- The safety, health, wellbeing, and interests of consumers will need to inform governance structures and processes within a provider.
- A universal, shared understanding of what is high-quality care and greater clarity around the key roles and duties in discharging responsibilities.
- Transparency in systems, processes, and responses.
- Consumer-centred strategy driven by the governing body.

Making these shifts will deliver a culture of dignity and respect, and help to drive better outcomes and safe, compassionate, quality experiences for older Australians as a norm.

Styles of leadership for a reform context

Compassionate leadership

Compassionate leadership focuses on relationships, through listening, understanding, empathising with, and supporting the work of those you are responsible for. Governing bodies and executives should empathise with their staff, seeking to understand the challenges they face and focusing on enabling the workforce to be effective and thrive in their work.

Compassionate leaders do not have all the answers. Instead, they engage with the people they lead to find shared solutions to problems. Embracing a compassionate leadership style will lead to higher quality care, greater levels of consumer satisfaction, increased employee engagement and satisfaction and ultimately better outcomes for the provider.

Collective leadership

Collective leadership describes the shared responsibilities of leaders within an organisation to work together to drive change. The complete dedication of the governing body and leadership team to empower all staff as leaders, and trust in the process of collaboration in the organisation as the foundation for its leadership culture are keys to success. Collective leadership offers huge opportunities for creating cultures of continually improving, high quality, and compassionate care. But it requires courage, persistence, and professionalism from all leaders (informal and informal) to fully realise its potential.

Some examples of collective leadership include:

- Provides supportive and constructive critics of management.
- Encourages a culture of openness and transparency and accountability in words as well as deeds.
- Develops and adheres to a governing body charter that reflects preferred behaviours.
- Asks regular questions about the governing body's impact on culture.

Some examples of good and poor culture

Examples of good culture	Examples of poor culture
Clearly communicated values that place older Australians at the centre of operations. These values are demonstrated prominently throughout the organisation and championed by leadership and staff.	Unmatched values between staff and the executive team, leading to disenfranchised staff members.
A universal, shared understanding of what high-quality care looks like. Staff work to this level of care and hold colleagues (executives and staff) to account.	Conflict between executive and staff due to confusion around what high-quality care is. Reducing time spent delivering high-quality care for older Australians.
Governing body members and executives proactively engage with staff and consumers to identify potential areas of improvement to ensure older Australians continue to be placed at the centre of operations and receive high-quality care.	A siloed and inward-looking culture that seeks to blame staff as opposed to identifying areas of improvement.
Staff and clinicians are supported in proactively seeking and implementing	Staff do not feel safe in identifying areas of improvement within the organisation.

initiatives aimed at improving outcomes for older Australians.	
Leaders have fostered an environment in which staff feel comfortable delivering feedback regarding process improvement, and don't fear any adverse effects (psychological safety).	A culture of blame and responsibility cultivating a fear of speaking up, retribution or being 'singled out' leading to a lack of staff psychological safety.
Staff are confident that they are supported by the governing body and executive team.	Staff who feel disenfranchised and therefore disconnected from the organisation's governance processes and systems.
There is a transparent and timely process for dealing with complaints, issues and risks.	Staff are unsure how to manage complaints, issues and risks, leading to burnout and complaints being unactioned for long periods of time.

Useful references and links

[Aged Care Act 1997](#)

[Standard 8. Organisational governance | Aged Care Quality and Safety Commission](#)

[Responsibilities of approved aged care providers | Department of Health](#)

[Code of Conduct for Aged Care – information for providers | Aged Care Quality and Safety Commission](#)